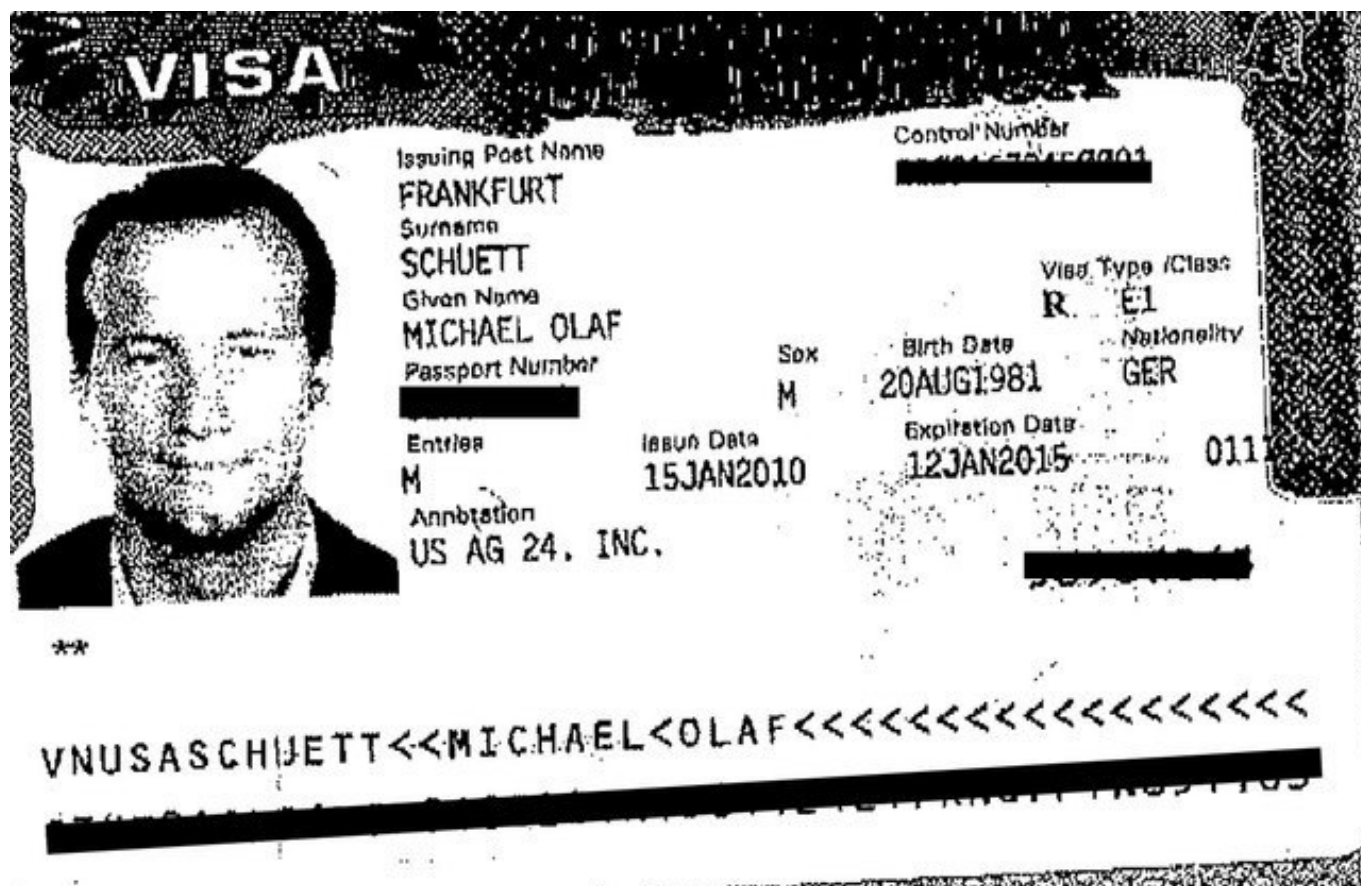


Man accused of laundering online poker winnings sentenced to time served, rewarded for cooperation



Michael Olaf Schuett's Visa.

By Aisling Swift

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He was the target of a federal investigation into money laundering, accused of funneling millions of dollars in Internet poker gambling winnings through dozens of bank accounts.

But Michael Olaf Schütt, 29, of Naples, who once faced up to 30 years in a federal prison, cooperated with the feds. And it paid off.

He'll soon be on a plane back to his country, Germany, but without his American wife.

As part of a confidential 'substantial assistance agreement' negotiated Monday by federal prosecutors and his defense team, U.S. District Judge Charlene Honeywell sentenced him to 80 days, time already served in the Lee County jail.

Investigators already had seized \$2.47 million from his bank accounts, \$10,000 from his home, a wedding and engagement ring, an Audi Quattro 7, a Porsche 911 Carrera, and four Rolex watches — all purchased with illegally transmitted funds. On Monday, he forfeited it all.

In March, he'd waived presentation of his case to a grand jury and pleaded guilty to a lesser charge, unlicensed money transmitting business by not registering his many businesses, including MCM Capital Management Corp., Naples Escrow Co. and Southwest Florida Payroll Co., with the Florida Office of Financial Regulation. It's a federal requirement aimed at preventing money laundering.

He'd faced up to five years under the plea deal, but that depended on his cooperation.

'I would like to apologize to the court, to the community, to my family and to my wife,' Schütt told the judge through a German interpreter, also thanking everyone involved in his case. 'I'm very sorry that I broke the law.'

If Schütt remains here or returns, he must serve three years of supervised release and can't use credit cards, open credit accounts or make major purchases without his probation officer's consent. But he's not expected to stay.

'It is Mr. Schütt's intent at this time to leave the United States,' defense attorney James E. Felman of Tampa told the judge.

Whether his assistance will lead to more arrests here or help German prosecutors in their investigation isn't known because his plea deal is confidential. His attorneys argued he'd lost a lot, about \$250,000 of his own property, including the cars, while the rest was money intended for gamblers.

Felman and co-counsel L. Barrett 'Barry' Boss of Washington, D.C., declined comment, as did assistant U.S. attorneys Robert Barclift and Yolande Viacava.

Schütt, who also is known as Schütt and Olaf Brand, originally was assigned a public defender. His attorneys wouldn't say who paid for his defense.

He'd been free on \$100,000 unsecured bond since March 23, ordered to remain with his wife, Jennifer Sherman, 29, of Naples, whom he'd known less than a year. This fall, after a nine-month marriage, they broke up and she told federal officials she feared he'd flee to Germany. On Sept. 27, a magistrate revoked his bond and returned him to jail.

In seeking leniency Monday, they pointed out there were no victims, he took nothing that wasn't his and he didn't own the gambling operations. They cited others prosecuted for the same crime who were sentenced to less than what Schütt was facing.

'Moreover, the underlying activity, online poker, occupies a gray area of the law,' they wrote in a 23-page sentencing memorandum. 'There are many (outside of law enforcement) who contend that it is legal and, more significantly, there is pending federal legislation that would make it unquestionably legal.'

Schütt was arrested by the U.S. Secret Service in February after bank employees statewide began getting suspicious at the millions going through his bank accounts. Court documents say customers also were coming in to cash checks, payments from Internet poker gambling winnings. And FedEx employees reported packages being mailed daily from a home he was staying at on Chesapeake Avenue.

Documents say overseas wire transfers went into Schütt's accounts, he obtained large numbers of cashier's checks, wrote business checks and sent wire transfers to U.S. and Canadian customers. Large amounts of money came from Bluetool Ltd., a British company, and International Payment Systems, a German firm, both used as intermediaries to transfer funds to U.S. money transmitters, like Schütt, who then paid gambling winnings to customers here.

He incorporated many companies in Naples, Tampa and Bradenton, and through one, USAG24, he was an officer and registered agent for 424 businesses and owns many more. He'd opened about 40 Bank of America accounts since 2007 and transferred roughly \$70 million to 23,000 players. He also had accounts at many other banks, which shut them down.

